

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2001-351

August 22, 2001

SACO RIVER TELEGRAPH AND
TELEPHONE COMPANY,
COMMUNICATIONS DESIGN, INC.,
SACO RIVER ACQUISITION
CORPORATION, COMMUNICATIONS
DESIGN ACQUISITION
CORPORATION and THE PINE TREE
TELEPHONE AND TELEGRAPH
COMPANY

ORDER APPROVING
STIPULATION,
REORGANIZATIONS AND
AUTHORITY TO PROVIDE
SERVICE

Re: Joint Application for Approvals
Related to the Sale of Assets of Saco
River Telegraph and Telephone
Company and Communications Design,
Inc. and for Exemption from Approval
for Certain Future Reorganizations

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order we approve a Stipulation that provides for a reorganization of Saco River Telegraph and Telephone Company and Pine Tree Telephone Company, each of which are incumbent local exchange carriers (ILECs) providing service in Maine.

II. DISCUSSION

The reorganizations or "restructurings"¹ that we approve in this Order will result from a sale of the assets of Saco River Telegraph and Telephone Company (SRTT) and Communications Design, Inc. (CDI) by their present owner, RCC, to CRC Communications, Inc. (CRC). In the case of the SRTT reorganization, SRTT will cease to exist; and CRC will create a new corporation, Saco River Acquisition Corporation (SRAC), which will become the new operating incumbent local exchange carrier in the same service area served by SRTT. After the transaction, SRAC will be owned by a subsidiary of CRC, Pine Tree Holdings, Inc. (PTH) and will do business under the name Saco River Telephone Company (SRT). Under a previous Stipulation involving a sale

¹ The term "restructurings" is used in Stipulations (cited below in the text) governing the need, or not, to obtain Commission approval under 35-A M.R.S.A. § 708 for reorganizations. The term "restructuring" is defined more narrowly than the definition of "reorganization" in the statute.

of both SRTT and CDI, approved in *Saco River Telegraph and Telephone Company, Request for Approval of Affiliated Interest Transaction, Reorganization and Transfer of Assets from Saco River Telegraph and Telephone Company with Rural Cellular Corporation*, MPUC Docket No. 2000-541, Order Approving Stipulation, Reorganization and Affiliated Interest Transactions; Authority to Provide Service (November 9, 2000), we granted an exemption under the reorganization statute, 35-A M.R.S.A. § 708, to SRTT, subject to certain exceptions, one of which required that SRTT obtain approval of any “restructuring” of itself.

The CDI transaction is essentially identical to the SRTT-SRAC transaction and will result in a new utility that temporarily will be named Communications Design Acquisition Corporation (CDAC). CDI does not require approval for the reorganization of itself because the exemption granted to CDI in the Stipulation described above was not subject to an exception for such a reorganization or restructuring.

PTH also owns Pine Tree Telephone Company, which is another ILEC in Maine. Accordingly, Pine Tree is also being reorganized or restructured, and, under the Stipulation governing the sale of Pine Tree to CRC approved in *The Pine Tree Telephone and Telegraph Company, Request for Approval of Reorganization and for Exemption from Approval of Certain Future Reorganizations*, Docket 99-381, Order Approving Reorganization, (December 23, 1999) and Supplemental Order (December 30, 1999), Pine Tree is not exempt from needing approval of a reorganization of the type represented by these transactions.

The Stipulation lists the reorganizations and restructurings that require our approval in this Order. We find that the proposed reorganizations or restructurings are consistent with the public interest, subject to the conditions described in the Stipulation. We are familiar with the qualifications of CRC through its ownership and operation of Pine Tree during the past one and one-half years.

The Stipulation provides that the existing exemption and exceptions thereto for Pine Tree (rather than those presently applicable to SRTT and CDI) should apply in the future to SRAC and CDAC. Because all three utilities will be owned by CRC (through PTH), it makes sense to apply the existing Pine Tree-CRC provisions. The Stipulation itself amends certain of those provisions and states that the parties and the Commission staff are presently discussing further revisions that will apply to both Pine Tree and SRAT. We find that the changes included in this Stipulation are reasonable. We request the parties and Staff to include both the changes already made and the future revisions in a comprehensive document that states all exemptions and approvals that must be obtained as clearly as possible.

Finally, we grant the other approvals described in Part 2.B of the Stipulation. These include approvals for the abandonment of service by SRTT and CDI pursuant to 35-A M.R.S.A. § 1104; the granting of the authorities to provide service previously held by SRTT and CDI to SRAC and CDAC respectively, pursuant to 35-A M.R.S.A. § 2101; the approval of the sale of assets by SRTT and CDI, pursuant to 35-A M.R.S.A. § 1101;

and the affiliated interest contracts and arrangements listed in Part 2.B.6 of the Stipulation.

Accordingly, we

A P P R O V E

1. The Stipulation filed in this case on August 6, 2001, which we find is a reasonable resolution of the issues in this case and is incorporated in this Order;
2. All reorganizations and restructurings listed in the Stipulation as requiring approval;
3. The abandonment of service by Saco River Telegraph and Telephone Company and by Communications, Design, Inc., pursuant to 35-A M.R.S.A. § 1104;
4. The granting of authority to Saco River Acquisition Corporation, pursuant to 35-A M.R.S.A. § 2101, to provide service as an incumbent local exchange carrier and as an interexchange carrier; said authority shall be identical to that presently held by Saco River Telegraph and Telephone Company in the service area of Saco River Telegraph and Telephone Company;
5. The granting of authority to Communications Design Acquisition Corporation pursuant to 35-A M.R.S.A. § 2101 to provide service as an competitive local exchange carrier and as an interexchange carrier; said authority shall be identical to that presently held by Communications Design, Inc. in the service area of Communications Design, Inc.;
6. The sale of the assets of Saco River Telegraph and Telephone Company and by Communications, Design, Inc. that are necessary or useful in the provision of telephone service, pursuant to 35-A M.R.S.A. § 1101;
7. The exemptions from 35-A M.R.S.A. § 708 for Saco River Acquisition Corporation and Communications Design Acquisition Corporation that are listed in Part 2.C of the Stipulation;
8. The affiliated interest contracts and arrangements listed in Part 2.B.6 of the Stipulation; and

we

O R D E R

1. That Saco River Acquisition Corporation and Communications Design Acquisition Corporation shall notify the Commission that the sale transactions (the closing) described above and in the Stipulation have taken place within 10 days after their occurrence.

2. That Saco River Acquisition Corporation and Communications Design Acquisition Corporation shall use and adopt the existing schedules of rates, terms and conditions of Saco River Telegraph and Telephone Company and Communications Design, Inc., respectively, that are on file with Commission; within 60 days following closing of the sales, Saco River Acquisition Corporation and Communications Design Acquisition Corporations shall file rates, terms and conditions that are substantively identical to the present Saco River Telegraph and Telephone Company and Communications Design, Inc. rates, terms and conditions, respectively, but which reflect the names of the new utilities (including any d/b/a) are signed by an appropriate officer of each company;

3. That Saco River Acquisition Corporation and Communications Design Acquisition Corporation shall provide notice to the Commission if and when either of them changes its name; and

4. That within 60 days following this Order, the parties shall file a comprehensive document for Commission approval that states all exemptions and required approvals under 35-A M.R.S.A. § 707 and 708 that will apply to Saco River Acquisition Corporation and Pine Tree Telephone Company, Inc.

Dated at Augusta, Maine, this 22d day of August, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.